

October 2, 2007, the Medical School at the University of Minnesota

MINUTES University of Minnesota Medical School Faculty Advisory Council

October 2, 2007

The meeting of the Medical School Faculty Advisory Council (FAC) was held on Tuesday, at 4:00 p.m. in Room B646 Mayo Memorial Building and 146 School of Medicine Duluth (via ITV). Esam El-Fakahany, Chair of the FAC presided.

Members Present: Drs. Sharon Allen, Vivian Bardwell, Gregory Beilman, James Boulger, Linda Burns, James Carey, Esam El-Fakahany, Donna Forbes, Richard Gray, Kalpna Gupta, Daniel Hanson, David Hunter, Marc Jenkins, David Largaespada, Tucker LeBien, Christopher Pennell, David Rothenberger, Brian Sick, Carol Wells, and Jo-Anne Young

Dean's Office Staff Present: Allison Campbell Jensen, Charles Moldow, and Patricia Mulcahy

Welcome and Introductions

Dr. Esam El-Fakahany, Chair of the FAC, called the meeting to order at 4:10 p.m. Dr. El-Fakahany welcomed the FAC members from affiliate hospitals, who were joining for the first time.

Dean's Remarks

Dean Powell updated Council on the following Medical School searches:

- Orthopaedic Surgery Department Head: A candidate has been appointed and an announcement will be made this week.
- Otolaryngology Department Head: Dr. Bevan Yueh has officially started.
- Urologic Surgery Department Head: In negotiation.
- Genetics, Cell Biology and Development Department Head: Three finalists have been identified.
- Integrative Biology and Physiology Department Head: In negotiations with final candidate.
- Pediatrics Department Head: Final candidate is returning for another visit.
- Associate Dean for Faculty Affairs: Dr. Anne Taylor has announced her resignation as she will be accepting a position at Columbia University College of Physicians and Surgeons in November. A national search will take place upon her departure.

Structural and Financial Challenges in the Medical School

The Dean presented "Structural and Financial Challenges in the Medical School: Analysis and Approach to a Solution", which was previously presented to the Office of the President on June 5, 2007. This presentation highlights three main financial challenges as:

- The Medical School faces an increasing structural financial challenge arising from increasing costs combined with stress on traditional revenue streams
- The Medical School needs major investment in faculty and facilities in increasingly focused areas of growth that support the University, and
- The solution to both of these challenges requires a partnership among the Medical School, UMPhysicians, the University, the State, Fairview Health Services, the business community and the community of grateful donors.

The Dean explained that part of the structural challenge is that sponsored research has dropped from around 35 percent of the Medical School funding to 27.3 percent. The faculty practice plan has increased to 40 percent of the funding. Though the practice plan has increased, the operating costs are higher, and thus this will not provide a net increase. There is stress on State revenues. While the dollars remain consistent from 2002, there is a net loss according to the Higher Education Price Index. There is a stress on funding for sponsored research as well. The NIH budget has flattened significantly over the past five years.

In addition, the Medical School supports the administrative costs for Graduate Medical Education (GME) at a total cost of \$8.1 million annually, which does not include the cost of education. A small amount of money comes in from the affiliate hospitals, but this only covers the cost of resident stipends. Other medical schools across the country are typically not asked to cover all of the administrative GME costs, and this may need to change.

The Medical School is the largest income generating college in the University. While our faculty typically cover the cost of their own salaries through clinical revenue, operating costs are much higher. And while faculty salaries are higher in the

Medical School than compared to the rest of the University, 60 percent of the faculty in the Medical School are paid less than the 50th percentile of their Association of American Medical Colleges (AAMC) peers.

Dean Powell then explained the goals of the Medical School are:

- To return to the top 20 National Institutes of Health (NIH) rankings. She explained that this is a feasible goal, as this would be a return to the rankings that the Medical School held in 1995-1996. But, from 1996 to 2003, the Medical School fell faster in NIH rankings than any other school in the country. This can be attributed to the decrease in tenured/tenure track faculty, which fell from 539 (1996) to 486 (current).
- To become a national leader in innovative medical education
- To become a leader in clinical care

To achieve these goals, the Medical School must make an investment in research intensive faculty, research facilities, and new Department Head recruitments. The Medical School accounts for over one-third of the University's research dollars. A return of the Medical School to the top 20 NIH rankings will in-turn increase the stature of the University as a top public research institution as well as assisting other colleges within the University with their research potential and recruitments.

Council asked the Dean if a return to higher numbers of research intensive faculty would actually help with the structural deficit. They explained that in the 1990s, it was believed that clinical faculty needed to be added to increase clinical revenue to address the structural deficit. Dean Powell explained to Council that research dollars alone will not buy the Medical School out of the structural deficit, but clinical revenue alone cannot do that either. There are many facets that will need to work in accord to address the deficit. But the Dean also believes that the Medical School needs to prioritize and focus on key elements in which it can excel. In addition, the Dean believes that the Medical School needs to think more carefully about retentions and recruitments, as these are very expensive processes. The Medical School is in the process of tightening up practices to ensure that these dollars are spent wisely.

Council then asked the Dean if the Minnesota Medical Foundation (MMF) could assist. The Dean explained that both MMF and the University Foundation will be instrumental in our philanthropy efforts.

The meeting was adjourned at 5:05 p.m.

Respectfully submitted,

Jeni Skar
Staff to the FAC

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Last modified on Friday Jun 15, 2007

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